

MT LEGISLATIVE HISTORY

Chapter 601 1987

Bill H 848 S _____

Original bill & hist. ✓ c

H. Committee on Taxation

S. Committee on Taxation

Hearing Date(s) _____ c

Hearing Date(s) _____ c

_____ c

_____ c

3/11 ✓ c

4/13 ✓ c

3/18 ✓ c

_____ c

Date Out 3/20 ✓ c

4/13 ✓ c

Did this bill originate in an interim committee? ___ Yes X No

Committee _____

Report _____

HOUSE FINAL STATUS

- HB 843 INTRODUCED BY HANNAH
ELIMINATE MINES' NET AND GROSS PROCEEDS FROM FEDERAL
4-R'S ACT FORMULA
- 2/20 INTRODUCED
2/20 REFERRED TO TAXATION
2/20 FISCAL NOTE REQUESTED
3/02 FISCAL NOTE RECEIVED
3/11 HEARING
3/16 TABLED IN COMMITTEE
- HB 844 INTRODUCED BY JENKINS
APPROPRIATION FOR SEED STORAGE FACILITY
- 2/20 INTRODUCED
2/20 REFERRED TO APPROPRIATIONS
3/19 HEARING
3/20 TABLED IN COMMITTEE
- HB 845 INTRODUCED BY IVERSON, ET AL.
AMENDS ADJUDICATION LAWS, INCLUDING DEPARTMENT OF
NATURAL RESOURCES & CONSERVATION'S
RELATIONSHIP TO THE WATER COURTS
BY REQUEST OF DEPARTMENT OF NATURAL RESOURCES &
CONSERVATION
- 2/20 INTRODUCED
2/20 REFERRED TO NATURAL RESOURCES
2/20 FISCAL NOTE REQUESTED
3/03 FISCAL NOTE RECEIVED
FAILED TO MEET TRANSMITTAL DEADLINE
- HB 846 INTRODUCED BY HOFFMAN, R., ET AL.
COUNTY ASSESSOR TO ASSESS ALL PROPERTY WITHIN COUNTY
- 2/21 INTRODUCED
2/21 REFERRED TO TAXATION
2/21 FISCAL NOTE REQUESTED
3/02 FISCAL NOTE RECEIVED
3/07 TABLED IN COMMITTEE
3/11 HEARING
3/16 COMMITTEE REPORT--BILL NOT PASSED
3/17 ADVERSE COMMITTEE REPORT REJECTED 64 34
3/20 2ND READING NOT PASSED AS AMENDED 59 39
- HB 847 INTRODUCED BY RAPP-SVRCEK
WORKERS' COMPENSATION DIVISION MAY CANCEL EMPLOYER'S
COVERAGE UNDER PLAN NO. 3 FOR UNSAFE WORKPLACE
- 2/21 INTRODUCED
2/21 REFERRED TO BUSINESS & LABOR
2/21 FISCAL NOTE REQUESTED
2/23 FISCAL NOTE RECEIVED
2/24 HEARING
3/09 TABLED IN COMMITTEE
- HB 848 INTRODUCED BY STANG, ET AL.
REFUND PRORATED SHARE OF CERTAIN TAXES PAID IN OTHER
STATES
- 2/21 INTRODUCED
2/21 REFERRED TO TAXATION
2/21 FISCAL NOTE REQUESTED

HOUSE FINAL STATUS

3/02	FISCAL NOTE RECEIVED		
3/11	HEARING		
3/20	TAKEN FROM COMMITTEE	70	25
3/24	2ND READING PASSED AS AMENDED	85	8
3/26	3RD READING PASSED	95	4
	TRANSMITTED TO SENATE		
4/09	RULES SUSPENDED TO ALLOW RECEIPT OF BILL AFTER DEADLINE	47	2
4/10	REFERRED TO TAXATION		
4/13	HEARING		
4/13	COMMITTEE REPORT--BILL CONCURRED		
4/14	2ND READING CONCURRED	29	13
4/14	3RD READING CONCURRED	45	5
	RETURNED TO HOUSE		
4/17	SIGNED BY SPEAKER		
4/20	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
4/23	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 601	EFFECTIVE DATE: 10/01/87	

HB 849 INTRODUCED BY QUILICI, ET AL.
FUNDING FOR MONTANA STATEHOOD CENTENNIAL OFFICE
BY REQUEST OF LIEUTENANT GOVERNOR'S OFFICE

2/24	INTRODUCED		
2/24	REFERRED TO APPROPRIATIONS		
3/24	HEARING		
3/24	COMMITTEE REPORT--BILL PASSED		
3/26	2ND READING PASSED	97	0
3/27	3RD READING PASSED	91	1
	TRANSMITTED TO SENATE		
4/03	REFERRED TO BUSINESS & INDUSTRY		
4/09	HEARING		
4/09	COMMITTEE REPORT--BILL CONCURRED		
4/11	2ND READING CONCURRED	50	0
4/13	3RD READING CONCURRED	47	3
	RETURNED TO HOUSE		
4/16	SIGNED BY SPEAKER		
4/20	SIGNED BY PRESIDENT		
4/20	TRANSMITTED TO GOVERNOR		
4/23	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 602	EFFECTIVE DATE: 4/23/87	

HB 850 INTRODUCED BY ROTH
REDUCING PROPERTY TAX VALUATIONS BY 30 PERCENT

2/24	INTRODUCED
2/24	REFERRED TO TAXATION
2/24	FISCAL NOTE REQUESTED
3/04	FISCAL NOTE RECEIVED
3/12	HEARING
3/16	TABLED IN COMMITTEE

HB 851 INTRODUCED BY HARP, ET AL.
TRANSFER ELECTROLYTIC ORE-REDUCTION MACHINERY AND
EQUIPMENT TO CLASS FIVE

3/03	INTRODUCED
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50th LEGISLATIVE SESSION

TAXATION

COMMITTEE

House

HOUSE BILL NUMBER	ENTERED COM. DATE	DATE CON- SIDERED	OUT OF COM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMENDED DATE	DO NOT PASS AS AMENDED DATE	BE CON- CURRED IN DATE	BE NOT CON- CURRED IN DATE	BE CON- CURRED IN AMENDED DATE	BE NOT CONCURRED IN AS AMENDED DATE
829	2/18/87	3/10/87	3/19/87	tabled							
832	2/18/87		3/9/87	referred to Business & Labor							
833	2/18/87	3/11/87				3/19/87					
834	2/18/87	3/11/87	3/19/87	tabled							
841	2/20/87	3/10/87	3/19/87	tabled							
842	2/20/87	3/9/87				3/19/87					
843	2/20/87	3/11/87	tabled								
846	2/23/87	3/11/87			3/16/87						
848	2/23/87	3/11/87	3/18/87	tabled as amended							
✓ 848			3/20/87	transferred to House							
850	3/3/87	3/12/87	3/16/87	tabled							
851	3/3/87	3/17/87		3/19/87							
857	3/3/87	3/13/87	3/16/87	tabled as amended							
858	3/3/87	3/13/87					3/18/87				

Use a separate sheet for Senate Bills, House Bills, and Resolutions.

MINUTES OF THE MEETING
TAXATION COMMITTEE
HOUSE OF REPRESENTATIVES
50TH LEGISLATIVE SESSION

March 11, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on March 11, 1987, at 8 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members of the Committee were present, except Rep. Keenan, who was excused. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF HOUSE BILL NO. 848: Rep. Barry Stang, House District #52, sponsor of HB 848, said the bill addresses the assessment of property used in two states, and would tax such property at a lesser rate in one of those states. He provided an amendment which would reduce the fiscal impact (Exhibit #1), and said the bill is an issue of fairness. Rep. Stang also provided a number of letters in support of the bill (Exhibit #1a).

PROPOSERS OF HOUSE BILL NO. 848: Keith Olson, Montana Logging Association, said many members of his organization work in both Idaho and western Montana, and receive property assessments from both states. He added he believes the bill is a matter of equity.

OPPOSERS OF HOUSE BILL NO. 848: There were no opposers of the bill.

QUESTIONS ON HOUSE BILL NO. 848: Rep. Patterson asked if other states afforded the same opportunity. Rep. Stang replied that Idaho assesses such equipment only for the time it is situated in the state, which creates unfair competition with Montana loggers.

Rep. Williams asked how Montana law works now. Greg Groepper, DOR, replied that if such property is situated in Montana on January 1, it is assessed for the entire year, and if it is situated in the state after January 1, the equipment is prorated for the period in which it is situated in the state, with no provisions for a refund.

Rep. Ellison asked how DOR keeps track of this equipment, and if the bill would also affect construction equipment. Greg Groepper replied licensed equipment would be affected, and unlicensed equipment requires SM (special mobile) plates. He explained that assessors check work sites for such equipment.

Rep. Gilbert asked if the bill would address a situation wherein one worked two days in one state and two days in another state. There was no response.

CLOSING ON HOUSE BILL NO. 848: Rep. Stang explained the bill applies only to the equipment listed on the fiscal note and not to trucks.

CONSIDERATION OF HOUSE BILL NO. 846: Rep. Bob Hoffman, House District #74, sponsor of HB 846, said the bill would provide each county assessor the responsibility for all property assessment within his or her county. He stated the 1972 Constitutional Convention did not intend that DOR be given this broad-based power, and that the bill would return that power to the counties.

Rep. Hoffman advised that during the first six months of this year, DOR's Property Assessment Division spent \$85,000. He said DOR does not realize county assessors have other duties, such as preparing tax rolls, making distributions for S.I.D.'s, R.I.D.'s, solid waste districts and fire districts, as well as serving on county planning boards and establishing values within set boundaries.

Rep. Hoffman commented that DOR is not able to do its job, and said that, in many respects, county assessors and appraisers are in competition with each other. He said DOR has the responsibility for financial assessment although there is nothing in statute to this effect. He stated the administration of assessment needs to be in the counties.

PROPONENTS OF HOUSE BILL NO. 846: Sen. John Anderson, Senate District #27, told the Committee that, as a delegate to the Constitutional Convention, he was certain it was not the intent of the Convention to take assessment from the counties. He urged the Committee to support the bill.

Sen. Ed Smith, Senate District #10, said he sponsored a similar bill that will be heard by the House Taxation Committee in the coming week. He provided copies of the Legislative Auditor's report on the DOR's Property Assessment Division, and read from a prepared statement in support of the bill (Exhibits #3 and #4). Sen. Smith said Montana is the only one of a random legislative audit of 13 states to allow state assessment of property.

Marvin Barber, Montana County Assessors, told the Committee that 80% of county assessors polled voted to return assessment to the counties via SB 36, and 66% responded affirmatively to HB 846. He asked the Committee to support the bill.

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date Mar 11, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ		✓	
REP. ASAY		✓	
REP. ELLISON		✓	
REP. GILBERT		✓	
REP. HANSON		✓	
REP. HARP		✓	
REP. HARRINGTON		✓	
REP. HOFFMAN		✓	
REP. KEENAN			✓
REP. KOEHNKE		✓	
REP. PATTERSON		✓	
REP. RANEY		✓	
REP. REAM		✓	
REP. SANDS		✓	
REP. SCHYE		✓	
REP. WILLIAMS		✓	

3-11-87
HB 545

~~H~~B 848 - Introduced Bill

Amendments

1. Page 1, line 14
Following: "15-6-138(1)(g)"
Insert: "on January 1 of the year for which the
refund is due"

19
3-15-17
848

March 6, 1987

Barry Stang
State Representative
Capitol
Helena, Montana 59601

Dear Spook:

I am writing this letter in regard to a bill which is now being considered in the legislature, dealing with the pro-rating of equipment taxes.

As loggers we spend at least 6 to 8 months per year logging in the State of Idaho where we have to pay property tax on our equipment. In the winter months our equipment is usually in the State of Montana. The present law now requires us to pay a full years tax on the equipment if it is in the State on January 1st. In reality we are being taxed double on this equipment, both States are profiting from one peice of equipment.

I strongly urge you to vote in favor of any measure that would tax the equipment fairly and on a pro-rated basis.

Thank you for your time and consideration in this matter.

Sincerely yours,

Kenn Verley

Kenneth D. Verley
Contract Logger
518 Quartz Loop
Superior, Montana 59872

EXHIBIT 1a
DATE 3-11-87
HB 848



DAW Forest Products Company

Superior Operation - 480 Diamond Road, Superior, Montana 59872 - (406) 822-4221

March 6, 1987

Mr. Berry Stang
House of Representatives
State Capital Building Helena
Helena, MT 59601

Representative Stang,

Your support and passage of a bill which will allow Montana equipment^{owners} (Idaho-Montana) would greatly reduce the burden of pay~~ing~~ taxes on equipment based in Montana and operated in Idaho fifty (50) percent of the year.

I am told if the equipment is out of state on January 1 of each year, but in state January 2, the owner can prorate his equipment. If the equipment is in the state on January 1, the owner has to pay taxes on his equipment for the whole year in Montana, plus pay another state six (6) months worth of taxes. This little catch in the law should be changed. Montana needs to keep competitive with other states.

Sincerely,

Herb H. Nash
Resource Manager

HHN:d1

1a

3-11-87

848

2/7/87

DEHS SPOOK,
I THINK Bill 848

WOULD BE MORE FAIR TO LOGGERS
THEN WHAT WE HAVE AT PRESENT TIME

THANKS

Best a word

Boy 100

St Regis Mont

59866

OFFICE OF

Mineral County Treasurer—Superintendent Of Schools

ILLYE ANN BRICKER

P.O.Box 100

Phone: 406-822-4542

Treasurer—Supt. of Schools

Superior, Montana 59872

EXHIBIT 1c
DATE 3-11-87
HB 848

January 7, 1987

Mr. Barry "Spook" Stang
Capital Station
Helena, Montana 59620

Dear Spook,

Here is the information you requested on the revenue from logging equipment for Mineral County in 1986.

Trucks, Trailers and R.P.O.'s	9,856.27
Taxes and SM licensed equipment	1,902.83
Logging machinery on Miscellaneous tax bills	18,222.46
	<u>29,981.56</u>

*Not included in
HB 848*

Some equipment is used on logging jobs and sometimes on other jobs which don't qualify the equipment as logging equipment, so it depends a great deal on the kind of work being done. The above figures are based on whatever paid the 75% logging rates on GVW or SM logging equipment owned by a logging company.

I asked Toots if she'd like to comment on the bill you want to propose, and she said so many of the loggers complain about having to pay taxes in two states, that they have trouble paying their Miscellaneous taxes on their equipment and many don't pay. These taxes are hard to collect and maybe a tax break like you propose would help them to be able to pay what they should.

Feel free to contact our office if we can be of any further assistance to you.

Sincerely,

Carolinn
Carolinn S. Risk

cc: office file

J DOUBLE A, INC.

JOHN A. OR JUNE ANDERSON

RECEIVED 12

DATE 3-11-87

NO 848

BOX 325, SUPERIOR, MT 59872

9-6-87

Dear Representative Barry Stang,

We are in support of your bill pro-rating
taxes on equipment while being used on jobs
in the state of Montana.

Thank you for your fine work in Helena.

Sincerely,

June A. Anderson - Mineral County.
John A. Anderson Superior MT.

EXHIBIT 12
3-11-87 2-6-87
848

Dear Representative Barry Stung,

I support your bill on pro-rating
taxes on equipment while being used in
Montana.

It is nice to know you are looking
out for the logger.

Sincerely

Lonja Godin

Box 322

Superior, MT. 596

EXHIBIT 1a
DATE 3-11-87
NO. 848

SUPERIOR, MONT.

MARCH 6, 1987

MR. BARRY STANG
HOUSE REPRESENTATIVE
HELENA, MONT.

Dear Mr. Stang,

We Appreciate your Support in Trying
To get The Bill passed To pro-Rate
Equipment. This is such a unfair Tax
as most of The loggers in This Area
WORK about as many months in Idaho
As They do Montana, usually the
WORK in Montana is done during the
Winter so That makes us have to
pay a full yr To Mont. and approximately
Six months in Id. so we get
taxed Twice, for at Least ~~one~~ six months

Sincerely,

Cheryl Demmon

1a
3-11-87
848

Superior, Mont.
March 5, 1987

Mr. Barry "Spook" Stang
House Representative
Capital Building
Helen, Montana 59604

Dear Mr. Stang,

We need all the support we can get, to get the bill passed so we can pro-rate our equipment. It is so unfair the way it is now because the equipment is always in Montana during the winter months so we have to pay a full years tax in Mont. and our equipment is almost always in Idaho at least six months out of every year. That makes us paying taxes twice for at least six months a year. We feel that pro-rating is the only fair way, so you are only subject to the tax in Montana and Idaho for the months that equipment is working in them states.

Your co-operation and support has been greatly appreciated.

Sincerely,

Michael T. Bailey
Dana Bailey

1a
3-11-87
848

Superior, Mont.

March 6, 1987

Mr. Barry Stang Hause
Hause Rep. #
Helena, Mont.

Dear Mr. Stang,

We are writing you about House Bill
No. 848.

We need everyone's support in getting
a law passed so that we can pro-rate our
Equipment, as it is very unfair the way
it is right now. We have to pay Mont.
a full years taxes & Idaho for how many
months we work in Idaho. And we are
usually in Idaho at least six months.
out of every year.

Sincerely,
Michael J. Bradley

1a

3-11-87

848

March 6, 198

Dear Mr. Stang,

I am writing to you Concern
the prorating of Equipment.

We would greatly appreciate your
support in getting the law on this
changed, as I feel that it is unfair.

We have to pay a full year in
Montana, and in Idaho we only pay
for the months that we work there,
which is usually 5 or 6 months of the
year, so I feel that I am having
to pay for half a year twice.

Sincerely
Ted Cummings
Superior, mt.

EXHIBIT k
DATE 3-11-87
HB 848

Barry Stang

This Letter is To Thank you for
your work on The bill To prorate The
Equipment Tax between The States.

Thanks for the Help

Jim Retzlaff

Jim Retzlaff

Box 778

Superior MT, 59872

7-11-37
848

Superior, Montana
March 6, 1987

Mr. Barry Stang
House Representative
Helena, Montana

Dear Mr. Stang,

We Appreciate you trying to get a bill passed to pro-rate equipment. This is such a unfair tax where everyone works in Idaho as much as they do Montana, and we feel that it is only fair that we should only be taxed for what ever months we are in each State.

Thank you for your support it is greatly appreciated.

Sincerely,

Barry & Paul Bailey

VARCO LOGGING, INC.

NORMAN VAUGHAN
406-822-4270

Office 406-822-4460
P.O. Box 68, Superior, MT 59872

JOE RICKETT
406-822-4289

EX-100 *k*
DATE *3-11-87*
NO. *848*

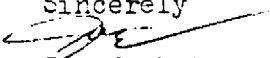
Representative Barry Stang
State Capitol
Helena Montana

Dear Barry

We support your bill on pro-rating taxes on equipment. We feel it is unfair to have to pay taxes for a full year on equipment used for only a few months in the winter and early spring, and then when we move to Idaho as we do every year usually in May or June, we have to pay taxes to that state for the remainder of the year. This situation is indicative of most of the loggers in Mineral County.

Thank you for your efforts in our behalf.

Sincerely


Joe Rickett

Box 1453

Superior, Montana 59872

March 6, 1937

Representative Barry "Spook" Stang

State Capitol

Helena, Montana 59620

Dear Spook,

Please give all consideration possible to legislation regarding pro-ration of taxes for logging equipment.

It is unfair taxation having to pay 12 months Montana tax when the equipment possibly works in Idaho for 6 months and is paying Idaho tax for those 6 months.

Sincerely

James M. Harris
James M. Harris

2 J Logging

VARCO LOGGING, INC.

Office 406-822-4460

P.O. Box 68, Superior, MT 59872

JOE RICKETT

406-822-4289

ARMAN VAUGHAN
406-822-4270

1a
3-11-87
848

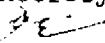
Representative Barry Stang
State Capitol
Helena Montana

Dear Barry

We support your bill on pro-rating taxes on equipment. We feel it is unfair to have to pay taxes for a full year on equipment used for only a few months in the winter and early spring, and then when we move to Idaho as we do every year usually in May or June, we have to pay taxes to that state for the remainder of the year. This situation is indicative of most of the loggers in Mineral County.

Thank you for your efforts in our behalf.

Sincerely


Joe Rickett

DEPARTMENT OF REVENUE



TED SCHWINDEN, GOVERNOR

STATE OF MONTANA

MITCHELL BUILDING

HELENA, MONTANA 59620

March 5, 1987

MEMO

TO: Representative Spook Stang

FROM: Steve Bender, Chief *SB*
Research Bureau

RE: Fiscal Note for HB 848

This memo is intended to provide some additional information on the fiscal note we prepared for your bill to allow refunds of certain duplicate property tax payments.

As I noted in our phone conversation, we do not have good information on the amount of property taxes paid to other states on property assessed in Montana. We, therefore, consulted with property tax officials in order to provide a "best guess" estimate of the affects of your proposal.

The estimate presented on the note may be best viewed as an upper bound of the reduction in property taxes. It assumes that the full amount of Montana property taxes would be refunded on the portion of the properties that migrate out-of-state. We implicitly assumed that all of these properties would be assessed in another state and pay taxes at least as great as Montana's.

More importantly, however, the note obviously assumes that prorated property taxpayers would be eligible for a refund (e.g. 100% of the drilling rigs migrate out-of-state). After our conversation, I reread the bill to see if the refund was limited to properties assessed for a full year. I did not see any mention of this limitation.

The inclusion of prorated taxpayers is probably the main reason why the estimate is so high. An amendment to limit refunds to properties assessed for a full year's taxes (which I infer from our conversation was your intent) would drastically reduce the cost of the proposal.

Dick Saxe, Vice President of Governmental Relations, Prudential Insurance Company, Newark, NJ, told the Committee his company wants to pay its fair share, as does Metropolitan, but also wants equity. He explained that, to date, 9 states have changed their laws to eliminate tax discrimination, and said either of the two proposed amendments would pass constitutional muster.

Randy Gray, advised that as long as a statement of intent was included, he would support the bill.

OPPONENTS OF HOUSE BILL NO. 880: There were no opponents of the bill.

QUESTIONS ON HOUSE BILL NO. 880: Chairman Ramirez commented he was surprised no one appeared to speak on the amendment, especially since there is no fiscal note. He asked what the fiscal impact would be, if the credit were eliminated altogether. Mr. Throssell replied the difference would be \$136,840, but there is no way of knowing what the offset is in continuing the credit on real estate, when a title company and a small life insurance company both claim credit.

Chairman Ramirez asked how much credit would be applied if rent were made attributable to tax paid. Mr. Throssell replied he had no way to estimate that figure. He explained collection projections for FY88 are \$34 million, and for FY89 are \$25.6 million.

CLOSING ON HOUSE BILL NO. 880: Rep. Winslow advised that the bill was an important effort to keep the state out of court.

CONSIDERATION OF HOUSE BILL NO. 885: Rep. Charles Swysgood, House District #73, sponsor of HB 885, said the bill would provide for a 5 percent sales tax and eliminate the ad valorem tax on personal and residential property. He explained the bill provides for distribution and use of the sales tax and believes the only alternative to the state is a sales tax as a measure of across-the-board property tax relief.

Rep. Swysgood said page 4 defines gross receipts, the new section 2 on page 8 imposes the 5 percent tax, and exemptions in sections 9-23 begin on page 12 of the bill. He explained that section 65 addresses livestock tax, and page 66 pertains to percentage changes of 28-40 percent. He said page 82 provides that residences of \$17,500 market value, exclusive of land and improvements, are exempt, and that section 160 sets up a use and sales tax account.

resolution be drafted for interim study by the Revenue Oversight Committee, to better determine fiscal impact.

Rep. Sands said he believes the bill addresses an important issue (double taxation), and that if it is killed now, it will remain dead for two years. He suggested the bill be referred to the Senate for additional work.

Rep. Williams advised he supported the Subcommittee recommendation and made a motion that HB 848 be TABLED. The motion FAILED in a tie vote (roll call vote attached).

Rep. Sands made a motion that HB 848 DO PASS.

Dave Bohyer read an amendment provided by Rep. Stang (Exhibit #6), and Rep. Sands made a motion that those amendments be approved. The motion CARRIED unanimously.

Rep. Sands made a motion that HB 848 DO PASS AS AMENDED.

Rep. Williams said he would oppose the motion because of the implications of the fiscal note. Rep. Sands commented the sponsors of the bill are from those counties most likely to be affected.

Rep. Ream stated that most of the fiscal impact would be to eastern Montana.

The motion made by Rep. Sands failed 7-9 on a roll call vote (attached).

Rep. Harp made a motion that HB 848 be TABLED. The motion CARRIED with all members voting aye, except Rep. Raney, who voted no.

DISPOSITION OF HOUSE BILL NO. 544: Rep. Ream made a motion that HB 544 DO PASS.

Rep. Raney made a motion to strike "21 cents" on page 1, line 16, and to insert "18 cents". Rep. Hanson reminded the Committee that the vending machine operators explained price increases are made in 5 cent increments.

The motion made by Rep. Raney FAILED 6-10 on a roll call vote (attached).

Rep. Sands said he recognized the need for some tax increases and that it seems more affordable in his district than any other kind of tax increase. Chairman Ramirez advised the Committee they must resist singling out one small group of taxpayers because it is predatory taxation, to which he is opposed.

COMMITTEE

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK		7	
ASAY, REP. TOM		7	
ELLISON, REP. ORVAL		7	
GILBERT, REP. BOB			7
HANSON, REP. MARION			7
HARP, REP. JOHN			7
HARRINGTON, REP. DAN		7	
HOFFMAN, REP. ROBERT			7
KENNAN, REP. NANCY	1	7	
KOEHNKE, REP. FRANCIS			7
PATTERSON, REP. JOHN			7
RANEY, REP. BOB			7
REAM, REP. BOB		7	
SANDS, REP. JACK			7
SCHYE, REP. TED		7	
WILLIAMS, REP. MEL		7	
TALLY		4	4

Joann Banschbach
Secretary

Rep. Jack Ramirez
Chairman

Motion: 10 mo. - table failed notice

ROLL CALL VOTE

HOUSE TAXATION

COMMITTEE

DATE 3-18-87 BILL NO. LB 848

NAME	ABSTAIN	AYE	NAY
RAMIREZ, REP. JACK			✓
ASAY, REP. TOM			✓
ELLISON, REP. ORVAL			✓
GILBERT, REP. BOB		✓	
HANSON, REP. MARION		✓	
HARP, REP. JOHN		✓	
HARRINGTON, REP. DAN			✓
HOFFMAN, REP. ROBERT			✓
KENNAN, REP. NANCY			✓
KOEHNKE, REP. FRANCIS		✓	
PATTERSON, REP. JOHN		✓	
RANEY, REP. BOB		✓	
REAM, REP. BOB			✓
SANDS, REP. JACK		✓	
SCHYE, REP. TED			✓
WILLIAMS, REP. MEL			✓
TALLY		7	9

Joann Banschbach
Secretary

Rep. Jack Ramirez
Chairman

Motion:

Sands - DPAA

MONTANA STATE SENATE

TAXATION COMMITTEE

50TH LEGISLATURE

COMMITTEE MEMBERS: Senator George McCallum, Chairman
 Senator Mike Halligan, V. Chairman
 Senator Al Bishop
 Senator Bob Brown
 Senator Bruce Crippen
 Senator Dorothy Eck
 Senator Tom Hager
 Senator Les Hirsch
 Senator Ray Lybeck
 Senator Joe Mazurek
 Senator Ted Neuman
 Senator Elmer Severson

STAFF ATTORNEY: Jim Lear

COMMITTEE SECRETARY: Aggie Hamilton

BOOK: 1 of 3

INCLUSIVE DATES: January 6 - February 25, 1987

COMMITTEE--(S) TAXATION

RUN DATE: 04/22/87

CHAIRMAN--SEN. GEORGE MCCALLUM
NORMAL SCHEDULE==> SITE: ROOM 413/415

DAYS: MON THRU FRI

TIME: 8:00 A.M.

SECRETARY-AGGIE HAMILTON

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REFERRED TO COMM	DATE OUT
HB0741	3/24				BUSINESS & LABOR	
HARP, JOHN			REGULATION OF HEALTH SERVICE CORPORATIONS			
HB0743	3/18	3/25	3/30, 4/2, 4/8, 4/10	CONCUR AS AMENDED		4/11
SALES, WALT			AMEND PROPERTY TAX AND ASSESSMENT SALE -- REDEMPTION TIME BASED ON HOMESTEAD			
HB0751	3/23	3/30		CONCUR AS AMENDED		3/30
WINSLOW, CAL			TAX EXEMPTION TO PREVENT DISMANTLING OF NONPRODUCING MFG. IMPROVEMENT			
HB0776	3/25	4/03		CONCUR AS AMENDED		4/11
NATHE, DENNIS			EXEMPT FROM SEVERANCE TAX ALL STRIPPER WELLS & ALL OTHER WELLS FOR 2 YEARS			
HB0782	3/25	4/02	4/10	CONCUR AS AMENDED		4/11
SANDS, JACK			LOCAL OPTION SALES OR INCOME TAX			
HB0791	3/18	3/25		CONCUR		3/27
STRIZICH, BILL			DANGEROUS DRUG TAX ACT			
HB0794	3/16	3/23		CONCUR		3/27
WILLIAMS, MEL			PROPERTY TAX EXEMPTION FOR LICENSED, NONPROFIT HOSPITAL & OUTPATIENT CENTERS			
HB0795	3/18	3/26		CONCUR	FINANCE & CLAIMS	3/27
GILBERT, BOB			INCORPORATES REGULATION OF CLASS II INJECTION WELLS IN THE OIL AND GAS LAWS			
HB0813	3/24	3/27		CONCUR AS AMENDED		4/3
COHEN, BEN			SETTING FEE IN LIEU OF TAXES ON 3-WHEEL AND 4-WHEEL OFF-ROAD VEHICLES			
HB0816	4/10	4/11		CONCUR AS AMENDED		4/11
ASAY, TOM			NEW CLASS 20 PROPERTY FOR AGRICULTURAL PROCESSING AND TIMBER PLANTS			
HB0848	4/10	4/13		CONCUR		4/13
STANG, SPOOK			REFUND PRORATED SHARE OF CERTAIN TAXES PAID IN OTHER STATES			

Senator McCallum has a problem with the difference in the LFA figures and the Budget Office figures.

Senator Mazurek asked what did we use in HJR 41.

Dave Hunter said \$203 million was used for the base in HJR 41 and that is a comparable base. During the special session we provided joint status sheets and he is sure they could do that if they were given some direction.

Senator Crippen said what Senator Hirsch has said is appropriate. We have some figures that we can go to our respective caucuses and say this is where we are and these are the alternatives that we have.

The meeting recessed at 7:50 A.M. The meeting reconvened at 1:05 P.M. in Room 331 of the Capitol Building.

All committee members were present with the exception of Senator Crippen and he arrived at the hearing late.

CONSIDERATION OF HB 848: Representative Stang, House District 52, presented this bill to the committee. He said this bill provides for a refund equal to taxes paid in another state on certain property taxed in Montana. This only applies to heavy equipment and includes some oil drilling and logging equipment. People have their equipment sitting in their back yard on January 1st and are assessed property taxes on that property for the whole year. Some of these pieces of equipment are taken out of state for work and they have to pay taxes in the other state for the time they are there.

PROPOSERS: None.

OPPOSERS: None.

QUESTIONS FROM THE COMMITTEE: Senator Bishop said if your piece of property is in Montana six months and Idaho six months, you wouldn't pay anything in tax.

Representative Stang said you would get a refund on taxes paid equal to the amount of tax paid in Montana but not greater than the tax paid in Montana.

Representative Stang closed.

CONSIDERATION OF HB 726: Representative Spaeth, House District 84, presented this bill to the committee. This is an act allowing resort communities greater flexibility to choose the goods and services upon which the resort

community tax will be imposed. The House amended the bill and he would like to see it amended back to its original form.

PROPOSERS: None.

OPPOSERS: None.

QUESTIONS FROM THE COMMITTEE: Senator McCallum said if we try to amend this bill there is a question whether you will get it back in time.

Representative Spaeth closed.

CONSIDERATION OF HJR 48: Representative Spaeth, House District 84, presented this resolution to the committee. This is a resolution requesting an interim study of the property revaluation procedures in the property tax laws and requiring a report of the findings of the study to the 51st legislature. We have a problem with what we are doing now, no one seems to be very happy. This is a study resolution asking the Revenue Oversight Committee to take a look at the reappraisal problem in the next two years.

PROPOSERS: None.

OPPOSERS: None.

QUESTIONS FROM THE COMMITTEE: None.

DISPOSITION OF HJR 48: Senator Mazurek made a motion that HJR 48 BE CONCURRED IN. The motion carried with Senator Crippen absent.

DISPOSITION OF HB 726: Senator Mazurek made a motion that HB 726 BE CONCURRED IN. He would be willing to offer a floor amendment to do what Representative Spaeth wanted to do.

The motion carried with Senator Halligan opposed and Senator Crippen absent.

DISPOSITION OF HB 848: Senator Severson made a motion that HB 848 BE NOT CONCURRED IN. The motion failed with a vote of 5-6, see attached roll call vote.

Senator Severson has changed his thinking on this bill. If a logger goes into Idaho and pays a prorated tax to Idaho, this bill allows that person to obtain a refund

in Montana for the taxes paid in Idaho.

Senator Bishop said if he is in Idaho 6 months would he get half of the tax back.

Senator Neuman said we are talking about the dollar amount.

Senator Bishop made a motion that HB 848 BE CONCURRED IN. The motion carried with Senator Mazurek and Senator Hirsch opposed.

DISPOSITION OF HB 904: Senator Hirsch made a motion that we adopt HB 904 with a 4-6-8 rate and a 10% surcharge and appropriate \$34 million out of the educational trust fund to make up the deficit. That balances the budget.

Senator Brown said if you left the existing tax structure as it is, you would still need the same level of surcharge and money from the educational trust fund. The only difference is that with the 4-6-8 you take about 130,000 people off the tax rolls.

Senator Severson made a substitute motion to leave the present system at rates 2-11, add a 10% surcharge and take \$34 million out of the educational trust fund. This would use existing law and bring in exactly the same amount of money as 4-6-8.

Senator Halligan said the only problem is the tax reform aspects. In some point in time we have to deal with the tax reform. We will be going home without addressing this area.

Senator Crippen said we will have to address it again. Hopefully in the interim period we will be able to work something out.

Senator McCallum said the federal tax reform is new and we really don't know what the ramifications are after this U.S. Congress gets through. It can change a great deal. Under those circumstances he would vote with Senator Severson.

Senator Neuman said he will speak in favor of the motion to strip the reform. He is disappointed because a lot of work went into tax reform. He is giving that up in the spirit of trying to end the session.

Senator Mazurek asked if the motion includes whatever amendments would be necessary to appropriate the \$34 million.

ROLL CALLTAXATION

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 7-13-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR NEUMAN	✓		
SENATOR SEVERSON	✓		
SENATOR LYBECK	✓		
SENATOR HAGER	✓		
SENATOR MAZUREK	✓		
SENATOR ECK	✓		
SENATOR BROWN	✓		
SENATOR HIRSCH	✓		
SENATOR BISHOP	✓		
SENATOR HALLIGAN, VICE CHAIRMAN	✓		
SENATOR McCALLUM, CHAIRMAN	✓		

Each day attach to minutes.

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date April 13, 1987 Bill No. HB 848 Time 1:30 P.M.

NAME	YES	NO
SENATOR CRIPPEN	Absent	
SENATOR NEUMAN		✓
SENATOR SEVERSON	✓	
SENATOR LYBECK		✓
SENATOR HAGER	✓	
SENATOR MAZUREK		✓
SENATOR ECK		✓
SENATOR BROWN	✓	
SENATOR HIRSCH		✓
SENATOR BISHOP		✓
SENATOR HALLIGAN, VICE CHAIRMAN	✓	
SENATOR MCCALLUM, CHAIRMAN	✓	

Aggie Hamilton
Secretary

Senator George McCallum
Chairman

Motion: Senator Severson's motion HB 848 BE NOT
CONCURRED IN, motion failed 5-6.

April 13

1937

MR. PRESIDENT

We, your committee on.....SENATE TAXATION.....

having had under consideration.....HOUSE BILL..... No. 848

third reading copy (blue)
color

STAFF (SEVERSON)

REFUND PRORATED SHARE OF CERTAIN TAXES PAID IN OTHER
STATES

Respectfully report as follows: That.....HOUSE BILL..... No. 849

BE CONCURRED IN

DO PASS

DO NOT PASS

SENATOR GEORGE MCCALLUM,

Chairman.